

Natural Resources Related Trust Funds Investment Report

Information as of September 30, 2011

Fiscal Year End Report



**Prepared By Bureau of Investments
Michigan Department of Treasury**

For any questions on this report, please contact the Bureau of Investments:

517/373-3140 Jon Braeutigam, Chief Investment Officer, Bureau of Investments
517/373-3140 Greg Parker, Deputy CIO, Bureau of Investments
517/373-6722 Paul Nelson, Administrator, Long-Term Fixed Income Division
517/335-1020 Dan Quigley, Specialist, Long-Term Fixed Income Division

**Natural Resources Related Trust Funds
Amount Available For Investment and
Asset Allocation Targets**

Fund No.	Fund Name	Total Market Value as of 9/30/11	Amount Available For Investment as of 9/30/10	Asset Allocation Targets**	
				Bonds	Equity
112	Game & Fish Lifetime License	\$14,310,455	\$1,654,760	100%	0%
124	Game & Fish Protection Trust	206,509,080	179,111,871	70%	30%
129	Natural Resources Trust	698,771,503	500,410,080	75%	25%
130	State Parks Endowment	174,905,296	141,286,618	75%	25%
143	Nongame Fish & Wildlife Trust	6,841,089	6,028,406	90%	10%
Total		\$1,101,337,422	\$828,491,735		

*Amounts provided by DNR

**Ratio Based on Amount Available For Investment.

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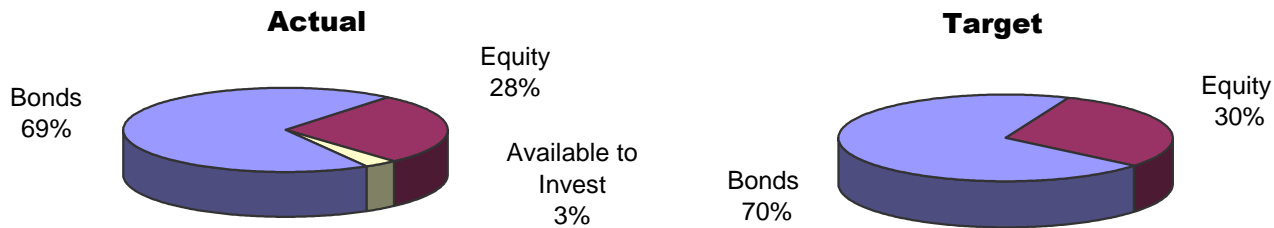
Natural Resources Related Trust Funds
Asset Allocation By Fund
Investment Market Values as of September 30, 2011

Asset Class	Game & Fish Protection Trust (124)		Natural Resources Trust (129)	
	<u>Market Value</u>	<u>%</u>	<u>Market Value</u>	<u>%</u>
Bond Investments	\$123,751,954	69.1%	\$354,230,406	70.8%
Equity Investments	49,261,826	27.5%	127,895,733	25.6%
Total Bonds + Equity	\$173,013,781	96.6%	\$482,126,139	96.3%
Cash Available For Investment	6,098,090	3.4%	18,283,941	3.7%
DNR Amount Available For Investment	\$179,111,871	100.0%	\$500,410,080	100.0%
Operating Funds	27,397,209		198,361,423	
Total MV For Fund	<u>\$206,509,080</u>		<u>\$698,771,503</u>	

Asset Class	State Parks Endowment (130)		Nongame Fish & Wildlife Trust (143)	
	<u>Market Value</u>	<u>%</u>	<u>Market Value</u>	<u>%</u>
Bond Investments	\$100,683,661	71.3%	\$5,646,636	93.7%
Equity Investments	31,671,600	22.4%	716,923	11.9%
Total Bonds + Equity	\$132,355,262	93.7%	\$6,363,559	105.6%
Cash Available For Investment	8,931,356	6.3%	-335,153	-5.6%
DNR Amount Available For Investment	\$141,286,618	100.0%	\$6,028,406	100.0%
Operating Funds	33,618,678		812,683	
Total MV For Fund	<u>\$174,905,296</u>		<u>\$6,841,089</u>	

Prepared by Bureau of Investments, Michigan Department of Treasury

Natural Resources Related Trust Funds
Game & Fish Protection Trust (124)
Comparison of Actual Allocation vs. Targeted Allocation
Investment Market Values as of September 30, 2011



Total Amount Available For Investment*	Target for Bond Investments		Actual Bond Investments as of September 30, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$179,111,871	70%	\$125,378,310	\$123,751,954	69%	-\$1,626,355	-1%
Total Amount Available For Investment*	Target For Equity Investments		Actual Equity Investments as of September 30, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$179,111,871	30%	\$53,733,561	\$49,261,826	28%	-\$4,471,735	-2%

*Alternative Asset Allocation of 0.26% as of 9/30/11

** Based on Amount Available For Investment

Prepared by Bureau of Investments, Michigan Department of Treasury

Natural Resources Related Trust Funds
Game & Fish Protection Trust (124)
Investment Holdings as of September 30, 2011

Top 10 Bond Holdings

Issuer	Avg. Coupon	Par Value	Rating	Avg. Maturity (years)	Price	Market Value	%**
PepsiCo Inc.		\$5,000,000	Aa3	6.674	\$115.88	\$5,793,982	4.68%
AT&T Inc.		5,200,000	A2	4.213	114.57	5,442,096	4.40%
Progress Energy Inc.		4,880,000	A1	7.047	108.48	5,355,676	4.33%
Nucor Corp.		5,000,000	A2	10.967	104.53	5,226,280	4.22%
Koninklijke Philips Electronics N.V.		5,000,000	A3	1.447	103.15	5,263,602	4.25%
General Electric Co.		5,000,000	Aa2	3.016	102.22	5,141,146	4.15%
Volkswagen AG		5,000,000	A3	8.874	100.49	5,037,675	4.07%
Honda Motor Co. Ltd.		4,950,000	A1	1.466	98.83	5,018,864	4.06%
MetLife Inc.		4,500,000	A3	9.367	106.09	4,683,024	3.78%
Philip Morris International Inc.		4,000,000	A2	9.636	116.93	4,318,532	3.49%
REMAINING 28 Issuers		66,943,911		4.466	104.93	72,471,077	58.56%
Total Bond Holdings	4.455	\$115,473,911	A2		\$108.63	\$123,751,954	

Equity Holdings

CUSIP	Issuer	Shares	Price	Market Value
922040209	Vanguard S&P 500	458,324	\$103.49	\$47,431,999
92290883	Vanguard Midcap	102,799	17.80	1,829,827
Total Equity Holdings				\$49,261,826

Alternative Asset Holdings

CUSIP	Issuer	Shares	Price	Market Value
	MGCP SBIC	542,505	\$1.00	\$542,052

Cash/Commercial Paper

				\$32,953,247
Total Investment Holdings				\$206,509,080

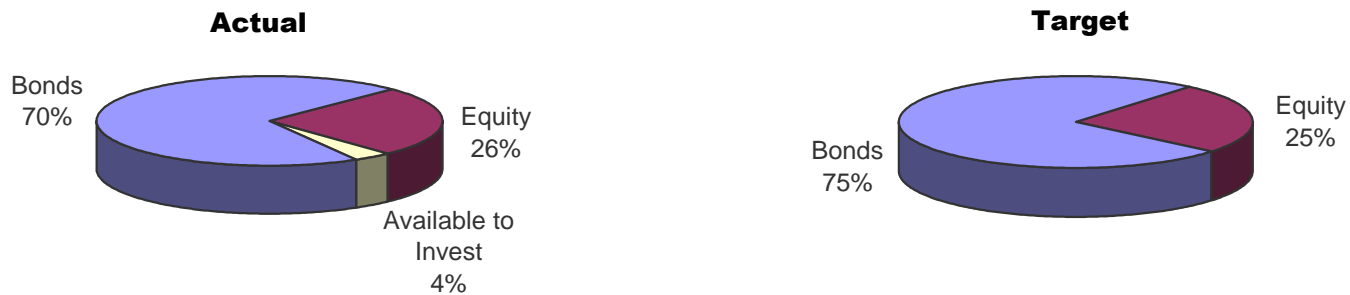
Estimated Income & Dividends Over the Next 12 Months

	<u>Return Rate*</u>	<u>Amount</u>
<i>Bonds</i>	<i>Varies</i>	\$5,055,618
<i>Common Cash</i>	<i>0.25%</i>	82,383
<i>Equity Dividends</i>	<i>2.22%</i>	1,093,613
Total Estimated Income & Dividends Over the Next 12 Months		\$6,231,614
Income Yield on Current Fund Market Value	3.02%	

*Excludes appreciation.

** % of Total Market Value

Natural Resources Related Trust Funds
Natural Resources Trust (129)
Comparison of Actual Allocation vs. Targeted Allocation
Investment Market Values as of September 30, 2011



Total Amount Available For Investment*	Target for Bond Investments		Actual Bond Investments as of September 30, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$500,410,080	75%	\$375,307,560	\$354,230,406	71%	-\$21,077,154	-4%
Total Amount Available For Investment*	Target For Equity Investments		Actual Equity Investments as of September, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$500,410,080	25%	\$125,102,520	\$127,895,733	26%	\$2,793,213	1%

*Alternative Asset Allocation of 0.23% as of 9/30/11

** Based on Amount Available For Investment

Prepared by Bureau of Investments, Michigan Department of Treasury

Natural Resources Related Trust Funds
Natural Resources Trust Fund (129)
Investment Holdings as of September 30, 2011

Top 10 Bond Holdings

Issuer	Avg. Coupon	Par Value	Rating	Avg. Maturity (years)	Price	Market Value	%**
GNMA		\$20,000,000	Aa1	4.440	\$97.12	\$19,424,488	5.48%
General Electric Co.		14,500,000	Aa2	6.679	98.02	14,212,850	4.01%
Fannie Mae		12,200,000	Aa1	6.117	100.40	12,249,351	3.46%
DTE Energy Co.		10,400,000	A2	7.706	112.40	11,689,452	3.30%
Philip Morris International Inc.		10,000,000	A2	8.719	110.59	11,058,946	3.12%
Target Corp.		10,000,000	A2	8.797	108.41	10,840,870	3.06%
JPMorgan Chase & Co.		10,500,000	Aa3	3.734	101.58	10,665,711	3.01%
Wal-Mart Stores Inc.		9,500,000	Aa2	8.778	106.94	10,159,614	2.87%
Pitney Bowes Inc.		9,425,000	A2	5.224	105.18	9,913,359	2.80%
Verizon Communications Inc.		8,000,000	A3	5.390	115.02	9,201,804	2.60%
REMAINING 43 Issuers		215,529,312		4.466	108.95	234,813,962	66.29%
Total Bond Holdings	4.311	\$330,054,312	A1		\$107.32	\$354,230,406	

Equity Holdings

CUSIP	Issuer	Shares	Price	Market Value
922040209	Vanguard S&P 500	1,127,296	\$103.49	\$116,663,912
92290883	Vanguard Midcap	631,001	17.80	11,231,821
Total Equity Holdings				\$127,895,733

Alternative Asset Holdings

CUSIP	Issuer	Shares	Price	Market Value
	MGCP SBIC	1,601,433	\$1.00	\$1,600,097

Cash/Commercial Paper

\$215,045,267

Total Investment Holdings

\$698,771,503

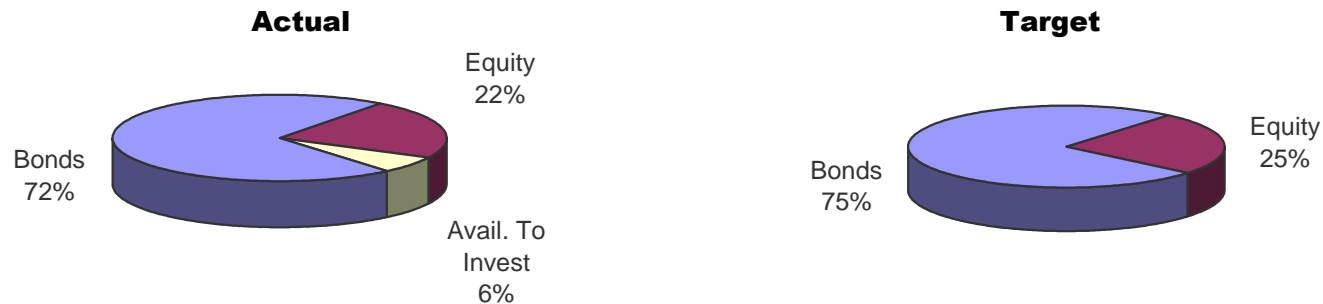
Estimated Income & Dividends Over the Next 12 Months

	<u>Return Rate*</u>	<u>Amount</u>
<i>Bonds</i>	<i>Varies</i>	\$14,005,529
<i>Common Cash</i>	<i>0.25%</i>	537,613
<i>Equity Dividends</i>	<i>2.22%</i>	2,839,285
Total Estimated Income & Dividends Over the Next 12 Months		\$17,382,427
Income Yield on Current Fund Market Value	2.49%	

*Excludes appreciation.

** % of Total Market Value

Natural Resources Related Trust Funds
State Parks Endowment (130)
Comparison of Actual Allocation vs. Targeted Allocation
Investment Market Values as of September 30, 2011



Total Amount Available For Investment*	Target for Bond Investments		Actual Bond Investments as of September 30, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$141,286,618	75%	\$105,964,964	\$100,683,661	71%	-\$5,281,302	-4%
Total Amount Available For Investment*	Target For Equity Investments		Actual Equity Investments as of September 30, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$141,286,618	25%	\$35,321,655	\$31,671,600	22%	-\$3,650,054	-3%

* Alternative Asset Allocation of 0.25% as of 9/30/11

** Based on Amount Available For Investment

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Natural Resources Related Trust Funds
State Parks Endowment (130)
Investment Holdings as of September 30, 2011

Top 10 Bond Holdings

Issuer	Avg. Coupon	Par Value	Rating	Avg. Maturity (years)	Price	Market Value	%**
Verizon Communications Inc.		\$5,500,000	A3	5.481	\$115.11	\$6,330,914	6.29%
Deere & Co.		4,400,000	A2	6.512	118.18	5,200,052	5.16%
JPMorgan Chase & Co.		5,000,000	Aa3	8.816	101.17	5,058,690	5.02%
General Electric Co.		5,000,000	Aa2	4.308	99.45	4,972,565	4.94%
Bank of America Corp.		5,250,000	Baa1	4.214	93.34	4,900,530	4.87%
Philip Morris International Inc.		4,000,000	A2	9.636	107.96	4,318,532	4.29%
Goldman Sachs Group Inc.		4,000,000	A1	3.838	97.91	3,916,328	3.89%
Total S.A.		3,250,000	Aa1	4.008	106.16	3,450,242	3.43%
Boeing Co.		3,000,000	A2	8.384	114.10	3,423,138	3.40%
Hewlett-Packard Co.		3,000,000	A2	2.674	107.44	3,223,140	3.20%
REMAINING 24 Issuers		50,447,205		4.466	110.79	55,889,531	55.51%
Total Bond Holdings	4.651	\$92,847,205	A2		\$108.63	\$100,683,661	

Equity Holdings

CUSIP	Issuer	Shares	Price	Market Value
922040209	Vanguard S&P 500	292,607	\$103.49	\$30,281,873
92290883	Vanguard Midcap	78,075	17.80	1,389,728
Total Equity Holdings				\$31,671,600

Alternative Asset Holdings

CUSIP	Issuer	Shares	Price	Market Value
	MGCP SBIC	439,046	\$1.00	\$438,680

Cash/Commercial Paper

Total Investment Holdings	\$42,111,354
Total Investment Holdings	\$174,905,296

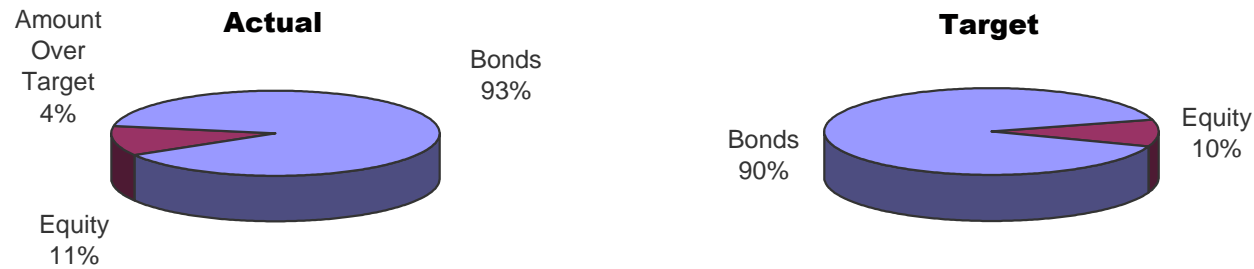
Estimated Income & Dividends Over the Next 12 Months

	<u>Return Rate*</u>	<u>Amount</u>
Bonds	Varies	\$4,171,135
Common Cash	0.25%	105,278
Equity Dividends	2.22%	703,110
Total Estimated Income & Dividends Over the Next 12 Months		\$4,979,523
Income Yield on Current Fund Market Value	2.85%	

*Excludes appreciation.

** % of Total Market Value

Natural Resources Related Trust Funds
Nongame Fish & Wildlife Trust (143)
Comparison of Actual Allocation vs. Targeted Allocation
Investment Market Values as of September 30, 2011



Total Amount Available For Investment*	Target for Bond Investments		Actual Bond Investments as of September 30, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$6,028,406	90%	\$5,425,565	\$5,646,636	94%	\$221,071	4%
Total Amount Available For Investment*	Target For Equity Investments		Actual Equity Investments as of September 30, 2010		Difference of Target/Actual	
	Ratio	Amount**	Market Value	%**	Market Value	%**
\$6,028,406	10%	\$602,841	\$716,923	12%	\$114,082	2%

*Amount Provided by DNR

** Based on Amount Available For Investment

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Natural Resources Related Trust Funds
Nongame Fish & Wildlife Trust (143)
Investment Holdings as of September 30, 2011

Top 10 Bond Holdings

	Issuer	Coupon		Par Value	Rating	Yield	Price	Market Value	%**
500472AA3	Royal Philips Electronics Nv	4.625	3/11/2013	\$500,000	A3	0.963	\$105.27	\$526,360	9.32%
74456QAT3	Public Service Electric & Gas Co	6.330	11/1/2013	200,000	A2	1.336	110.24	220,483	3.90%
949746FS5	Wells Fargo & Co.	4.625	4/15/2014	250,000	A3	2.699	102.92	257,307	4.56%
94974BEU0	Wells Fargo & Co.	3.625	4/15/2015	500,000	A2	2.349	104.13	520,632	9.22%
89152UAA0	Total Capital Sa	3.125	10/2/2015	500,000	Aa1	1.539	106.16	530,807	9.40%
24424CBR1	John Deere Capital Corp.	3.250	4/15/2016	500,000	A2	2.140	104.42	522,110	9.25%
079860AL6	Bellsouth Corp.	5.200	12/15/2016	200,000	A2	2.555	112.74	225,483	3.99%
87612EAP1	Target Corp.	5.375	5/1/2017	500,000	A2	2.141	116.62	583,111	10.33%
054303AU6	Avon Products, Inc.	5.750	3/1/2018	500,000	A2	3.157	114.17	570,875	10.11%
250847ED8	The Detroit Edison Co.	5.600	6/15/2018	500,000	A2	2.263	120.86	604,298	10.70%
585055AS5	Medtronic, Inc.	4.450	3/15/2020	500,000	A1	2.608	113.23	566,154	10.03%
883556AZ5	Thermo Fisher Scientific, Inc.	3.600	8/15/2021	500,000	A3	3.149	103.80	519,018	9.19%
Total Bond Holdings		4.455		\$5,150,000	A2		\$108.63	\$5,646,636	

Equity Holdings

CUSIP	Issuer	Shares	Price	Market Value
922040209	Vanguard S&P 500	6,927	\$103.49	\$716,923

Cash/Commercial Paper

\$477,530

Total Investment Holdings

\$6,841,089

Estimated Income & Dividends Over the Next 12 Months

	<u>Return Rate*</u>	<u>Amount</u>
Bonds	Varies	\$231,622
Common Cash	0.25%	1,194
Equity Dividends	2.22%	15,916
Total Estimated Income & Dividends Over the Next 12 Months		\$248,732
Income Yield on Current Fund Market Value	3.64%	

*Excludes appreciation.

** % of Total Market Value

Natural Resources Related Trust Funds
Investment Return Performance Summary
For Periods Ending September 30, 2011

Fund No.	Fund Name	Time-Weighted Rates of Return			
		5 Years*	3 Years*	2 Years*	1 Year
124	Game & Fish Trust Fund	5.03%	6.40%	5.59%	2.95%
129	Natural Resources Trust Fund	5.00%	5.68%	4.88%	2.36%
130	State Parks Endowment Fund	5.67%	6.93%	6.28%	3.16%
143	Nongame Fish & Wildlife Trust	6.56%	7.85%	6.62%	3.14%
	Combined Natural Resources Trust Funds	5.12%	5.98%	5.20%	2.55%
*Annualized returns					

Prepared by Bureau of Investments, Michigan Department of Treasury

Natural Resources Related Trust Funds
Investment Return Performance By Asset Class
For Periods Ending September, 2011

Asset Class	Share of Fund	Time-Weighted Rates of Return			
		5 Years*	3 Years*	2 Years*	1 Year
Short Term Investments	27.6%	2.14%	0.50%	0.23%	0.19%
<i>30 Day Treasury Bill</i>		<i>1.47%</i>	<i>0.11%</i>	<i>0.09%</i>	<i>0.08%</i>
U.S. Government Bonds	4.6%	5.90%	6.38%	5.41%	4.69%
<i>Barclays Government Security Index</i>		<i>6.56%</i>	<i>6.43%</i>	<i>6.27%</i>	<i>5.58%</i>
Corporate Bonds	48.6%	7.57%	9.97%	7.29%	3.62%
<i>Barclays Credit Index</i>		<i>6.72%</i>	<i>11.74%</i>	<i>8.05%</i>	<i>4.56%</i>
S&P 500 Fund	17.7%	N/A **	1.28%	5.56%	1.12%
<i>S&P 500 Index</i>		<i>-1.18%</i>	<i>1.23%</i>	<i>5.56%</i>	<i>1.14%</i>
Mid Cap Fund	1.3%	N/A **	4.72%	8.21%	-0.68%
<i>MSCI US Mid Cap 450 Index</i>		<i>0.50%</i>	<i>4.74%</i>	<i>8.28%</i>	<i>-0.63%</i>
Total Equities		N/A **	1.47%	5.72%	1.01%
Limited Partnerships	0.2%				
Total Funds	100.0%	5.12%	5.98%	5.20%	2.55%

*Annualized Returns
**N/A = Not Available